

M&G Global Macro Bond Fund

**Interim Long Report and unaudited Financial Statements
for the six months ended 30 April 2021**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Global Macro Bond Fund presents its Interim Long Report and unaudited Financial Statements for the six months ended 30 April 2021.

Please note that we have included an explanation of key investment terminology in the 'Glossary' (at the back of this report).

Company information

This Open-Ended Investment Company (OEIC) is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000. The Company is a UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA.

The Company was authorised on 26 January 2009 and the fund was launched on 1 May 2009.

The Company's principal activity is to carry on business as an OEIC.

A shareholder is not liable for the debts of the Company and will never be liable to make any further payment to the Company after paying the purchase price of the shares.

Fund manager

Jim Leaviss is employed by M&G FA Limited which is an associate of M&G Securities Limited.

ACD

M&G Securities Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: 0800 390 390 (UK only)
(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance)

Directors of the ACD

N J Brooks*, C Dobson (non executive director),
S A Fitzgerald, P R Jelfs,
M McGrade (non executive director), L J Mumford

* Appointed 19 May 2021.

Investment manager

M&G Investment Management Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: +44 (0)20 7626 4588
(Authorised and regulated by the Financial Conduct Authority)

Registrar

SS&C Financial Services Europe Ltd,
SS&C House, St. Nicholas Lane, Basildon, Essex
SS15 5FS, UK
(Authorised and regulated by the Financial Conduct Authority)

Depository

NatWest Trustee & Depository Services Limited,
House A, Floor 0, 175 Glasgow Road, Gogarburn,
Edinburgh EH12 1HQ, UK
(Authorised and regulated by the Financial Conduct Authority)

Independent auditor

Ernst & Young LLP
Atria One, 144 Morrison Street, Edinburgh EH3 8EX, UK

Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The report can be found at www.mandg.co.uk/valueassessment

Authorised Corporate Director's Report

Important information

Investors will benefit from a reduction in the annual charge starting from 15 February 2021. The reduction in annual charge varies across the M&G funds and the detail was communicated in the shareholder letter dated 15 January 2021.

On 19 April 2021 the objective and benchmark for M&G Global Macro Bond Fund were changed.

On 28 April 2021 Sterling Class 'PP-H' Income share class was launched.

The World Health Organisation declared the COVID-19 outbreak a pandemic on 11 March 2020.

The COVID-19 pandemic has been an unprecedented event. After an initial period of increased market volatility and uncertainty, there has been a marked recovery in global markets, bolstered by supportive economic policies from governments and positive news on vaccines for COVID-19.

The ACD continues to monitor the ongoing operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments.

Investor information

The Prospectus, Instrument of Incorporation, Key Investor Information Documents, costs and charges illustration, the latest Annual or Interim Investment Report and Financial Statements as well as a list of purchases and sales are available free of charge on request from the following addresses. The Instrument of Incorporation can also be inspected at our offices or at the office of the Depositary.

Customer services and administration for UK clients:

M&G Securities Limited,
PO Box 9039, Chelmsford CM99 2XG, UK

Please remember to quote your name and M&G client reference and sign any written communication to M&G. Failure to provide this will affect your ability to transact with us.

Telephone: 0800 390 390 (UK only)

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your M&G client reference. Failure to provide this will affect your ability to transact with us.

Customer services and administration for non-UK clients:

M&G Securities Limited,
c/o RBC I&TS, 14, Porte de France,
L-4360 Esch-sur-Alzette,
Grand Duchy of Luxembourg

Please remember to quote your name and M&G client reference and sign any written communication to M&G. Failure to provide this will affect your ability to transact with us.

Telephone: +352 2605 9944

Email: csmandg@rbc.com

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your M&G client reference. Failure to provide this will affect your ability to transact with us.

Swiss paying agent and representative:

Société Générale, Paris, Zurich Branch,
Talacker 50, 8021 Zurich, Switzerland

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

The Authorised Corporate Director (ACD) is required to prepare annual and interim long reports for the Company. The ACD must ensure that the financial statements, contained in this report, for the fund are prepared in accordance with the Investment Association Statement of Recommended Practice for Financial Statements of UK Authorised Funds (SORP) and UK Financial Reporting Standards, and give a true and fair view of the net revenue or expenses and net capital gains or losses for the accounting period, and the financial position at the end of that period.

The ACD is required to keep proper accounting records, and to manage the Company in accordance with the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA, the Instrument of Incorporation and the Prospectus, and to take reasonable steps for the prevention and detection of fraud or other irregularities.

Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes sourcebook, as issued and amended by the Financial Conduct Authority.

M&G Securities Limited
14 June 2021

Authorised Corporate Director's Report

Investment objective up to 18 April 2021

The fund aims to provide a higher total return (the combination of capital growth and income) net of the ongoing charge figure, than the average return of the IA Global Bond Sector over any five-year period.

Investment objective from 19 April 2021

The fund aims to provide a higher total return (the combination of capital growth and income) net of the ongoing charge figure, than the average return of the IA Global Mixed Bond Sector over any five-year period.

Investment policy

At least 80% of the fund is invested, directly or indirectly through derivatives, in debt securities and in asset-backed securities. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies from anywhere in the world, including emerging markets. These securities can be denominated in any currency.

Other investments may include other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

There are no credit quality restrictions on the debt securities held by the fund.

Derivatives may be used for investment purposes, efficient portfolio management and hedging.

Investment approach

The fund is globally diversified across a range of debt securities from a variety of sectors and geographies. The fund's investment approach is based on the principle that returns from bond markets are driven by a combination of macroeconomic, asset class, sector, geographic and stock-level factors. As different factors

dominate returns at different stages of the economic cycle, the fund manager applies a highly flexible investment approach, changing the blend of duration, credit and the allocation to the various types of bonds in the portfolio to weight them appropriately.

The fund manager also seeks to add value through active management of the fund's exposure to currencies.

Individual credit selection is carried out with the assistance of an in-house team of credit analysts to complement the fund manager's views.

Benchmark up to 18 April 2021

Benchmark: IA Global Bond sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

For unhedged share classes, the benchmark is shown in the share class currency.

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Benchmark from 19 April 2021

Benchmark: IA Global Mixed Bond sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed.

The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

For unhedged share classes, the benchmark is shown in the share class currency.

Risk profile

The fund is a flexible bond fund which invests in a range of fixed income securities from anywhere in the world and in any currency. The fund is therefore subject to the price volatility of global bond markets and fluctuations in currency exchange rates.

There are no restrictions on the amount of government bonds, investment grade bonds or high yield bonds that can be held within the portfolio. While government and investment grade bonds are generally highly liquid assets that are normally traded with relative ease, high yield corporate bonds are higher risk assets that could potentially experience a degree of illiquidity in times of market distress.

The fund's exposure to fixed income securities may be gained through the use of derivatives. In association with the use of derivatives, including those instruments not traded through an exchange, collateral is deposited, in order to mitigate the risk that a counterparty may default on its obligations or become insolvent.

Portfolio diversification is key in managing liquidity and default risks as well as reducing market risk. The fund's risks are measured and managed as an integral part of the investment process.

The following table shows the risk number associated with the fund and is based on Sterling Class 'A' shares.



The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has not changed during this period.

Investment review

As at 4 May 2021, for the period to 30 April 2021

Performance against objective

Between 2 November 2020 (the start of the review period) and 4 May 2021, the M&G Global Macro Bond Fund recorded negative returns across its unhedged share classes. Returns across its sterling hedged share classes were broadly flat.

Over five years, some of the fund's share classes achieved the objective of providing a total return (the combination of capital growth and income), net of the ongoing charge figure, higher than the average return of the IA Global Mixed Bond Sector*, which was 4.4% pa over this period, but others did not.

For the performance of each share class, please refer to the 'Long-term performance by share class' table in the 'Financial highlights' section of this report.

*The benchmark prior to 19 April 2021 was the IA Global Bond Sector. Thereafter it is the IA Global Mixed Bond Sector.

Performance review

The period under review began in relatively upbeat fashion thanks to the news of several successful COVID-19 vaccine trials. The prospect of a gradual

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reopening of the global economy following months of lockdown restrictions helped drive strong gains across risky assets, such as equities and credit markets. Markets were also buoyed by a decisive outcome of what had been an uncertain US election as Joe Biden defeated Donald Trump. In the UK, the announcement of a Brexit trade deal provided a boost to sterling, which appreciated significantly against the US dollar.

However, the market backdrop proved to be more volatile in the early months of 2021, as a pick-up in growth and inflation expectations led to some significant re-pricing across many fixed income assets. Returns from major government bond markets fell as yields (which represent the cash flows from bonds as a percentage of their prices and therefore move inversely to bond prices) rose on US Treasuries, UK gilts, and German bunds. Emerging market bonds also came under pressure, with rising US Treasury yields acting as a headwind to the asset class.

In contrast, corporate bonds, which are bonds issued by companies, proved relatively resilient. Returns for investment grade corporate bonds - which are considered safer, because they are given higher ratings by major credit rating agencies - were held back by the significant rise in government bond yields in early 2021. By contrast, high yield bonds - which are considered riskier because their credit rating is lower - delivered solid returns.

Expectations of higher inflation led to a rise in breakeven rates (a measure of the bond market's expectation for inflation) across the US, Europe and the UK, which proved helpful for inflation-linked bonds. In a similar vein, commodities expected to benefit from stronger growth and higher inflation, such as oil and copper, also rose sharply over the period.

In currencies, sterling performed strongly, helped by reduced uncertainty following the announcement of a Brexit trade deal and expectations of a robust economic recovery following a rapid vaccine rollout. The first few months of 2021 also saw a recovery for the US dollar, with the currency benefitting from the improved economic outlook in the US.

Fund performance was held back by the sharp sell-off in developed market government bonds during the period, as well as the significant strengthening of sterling versus other currencies. However, the fund's credit and inflation-linked bond positions generally performed well.

Investment activities

The fund's duration (sensitivity to movements in interest rates) was modestly reduced in the period due to concerns that government bond yields could rise further in the near term, especially if growth and inflation expectations continue to pick up. To help protect against such a scenario, we maintain a sizeable weighting in US Treasury Inflation Protected Securities (TIPS) and other inflation-linked bonds, which we think offer inexpensive insurance against the risk of higher inflation.

We remain cautiously positioned in corporate bonds, primarily on valuation grounds. During the period, we trimmed our investment grade exposure, while establishing a net short allocation to high yield bonds. Later in the period, we took the opportunity to sell some of the fund's financial positions following good performance, switching into some newly issued corporate bonds.

Within currencies, we increased the fund's US dollar exposure during the period, with this allocation now back above 50%. Having been somewhat cautious on the greenback throughout 2020, we are now more constructive as we think the currency should benefit from the improved economic outlook and the good progress of the vaccine rollout in the US.

The fund's flexible investment approach also allows us to invest in emerging market bonds. We still see attractive medium-term value in select parts of this asset class, although we remain somewhat cautious in this space for the time being given that further US dollar strength could continue to act as a headwind in the near term.

Outlook

Given uncertainties over the longer term economic impact of the pandemic, and with many fixed income

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assets looking fully priced, we maintain a cautious stance. We currently hold a large allocation to government bonds, as we believe central banks' stimulus measures will provide ongoing support to the asset class, adding to their appeal as a perceived safe haven in times of uncertainty.

We remain cautiously positioned in corporate bond markets, and have taken the opportunity to progressively trim the fund's exposure to these assets as valuations have increased over the past six months.

We continue to hold a constructive view on long-term valuations in emerging debt markets on a selective basis, given factors such as the real yields (adjusted for inflation) available in many developing countries. In addition, the backdrop of low or negative yields in developed markets has helped to underline the attraction of higher yields that can still be found among emerging market bonds. We would also note emerging markets continue to compare favourably versus developed nations on considerations such as economic growth forecasts and debt-to-GDP ratios.

As a diversified global bond fund, our preference also remains to manage the fund's currency exposures as we seek to add value to its performance. At the end of the review period, we continued to favour holding the fund's main currency exposures among developed markets. These allocations mainly consist of the US dollar, Japanese yen and sterling, along with smaller exposures to the Australian dollar, Norwegian krone and Canadian dollar. We also maintained modest positions in select emerging market currencies, including the Malaysian ringgit, Peruvian sol and Indonesian rupiah.

Jim Leaviss

Fund manager

An employee of M&G FA Limited which is an associate of M&G Securities Limited.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the fund or any holding mentioned in the Report is likely to perform. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult a Financial Adviser.

Investments

Portfolio statement

Holding		as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income		2,149,276	96.91	96.40
Debt securities		2,138,221	96.41	97.05
'AAA' credit rated bonds		402,370	18.14	20.63
US\$4,835,000	American Tower Trust No. 1 3.07% 15/03/2023	4,890	0.22	
AU\$83,600,000	Australia (Commonwealth of) 1.75% 21/06/2051	52,240	2.36	
£1,454,000	Barclays Bank FRN 0.5293% 15/05/2023	2,036	0.09	
£6,043,000	Canadian Imperial Bank of Commerce FRN 0.5159% 10/01/2022	8,425	0.38	
£2,500,000	Coventry Building Society FRN 0.5691% 15/01/2025	3,519	0.16	
£6,000,000	Coventry Building Society FRN 0.6493% 13/11/2023	8,441	0.38	
£1,778,066	Dukinfield FRN 1.3335% 20/12/2052	2,480	0.11	
£10,000,000	European Investment Bank 2.5% 31/10/2022	14,393	0.65	
AU\$15,109,000	European Investment Bank 5% 22/08/2022	12,460	0.56	
£1,562,000	European Investment Bank FRN 1.0489% 08/09/2025	2,253	0.10	
£10,000,000	FMS Wertmanagement 0.625% 15/06/2022	13,982	0.63	
€50,956,104	Germany (Federal Republic of) 0.5% 15/02/2025	64,323	2.90	
€25,100,000	Germany (Federal Republic of) 0.5% 15/04/2030	38,945	1.76	
€4,907,000	Glenbeigh 2 Issuer FRN 0.2113% 24/03/2046	5,898	0.27	
£2,376,000	Hops Hill No. 1 FRN 0.9993% 27/05/2054	3,329	0.15	
€3,494,000	Jubilee Place 2021-1 FRN 0.2945% 17/07/2058	4,238	0.19	
£7,803,333	Jupiter Mortgage No. 1 FRN 0.8484% 20/07/2060	10,853	0.49	
£15,000,000	Kreditanstalt fuer Wiederaufbau 1% 15/12/2022	21,140	0.95	
£1,069,300	Lanark Master Issuer FRN 0.8801% 22/12/2069	1,490	0.07	
£2,182,000	Leeds Building Society FRN 0.5891% 15/01/2025	3,073	0.14	
£11,083,000	Nationwide Building Society FRN 0.4493% 24/02/2031	15,414	0.69	
£6,000,000	Nationwide Building Society FRN 0.7991% 10/01/2024	8,479	0.38	
NOK174,034,000	Norway (Kingdom of) 1.75% 17/02/2027	21,859	0.99	
NOK175,300,000	Norway (Kingdom of) 2% 24/05/2023	21,950	0.99	
£1,476,682	Precise Mortgage Funding 2020-1B FRN 0.9789% 16/10/2056	2,065	0.09	
€8,000,000	Royal Bank of Canada 0.01% 27/01/2031	9,521	0.43	
£7,000,000	Santander FRN 0.4788% 20/09/2021	9,752	0.44	
£5,000,000	Santander FRN 0.7793% 12/02/2024	7,060	0.32	
£5,000,000	Skipton Building Society FRN 0.7293% 22/02/2024	7,049	0.32	

Investments

Portfolio statement (continued)

Holding		as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income (continued)				
Debt securities (continued)				
'AAA' credit rated bonds (continued)				
£3,533,000	Stratton Mortgage Funding 2021-1 FRN 0% 25/09/2051	4,910	0.22	
£3,742,267	Towd Point Mortgage Funding 2019-Vantage2 FRN 1.2488% 20/02/2054	5,229	0.24	
£5,000,000	Twin Bridges 2021-1 FRN 0% 12/03/2055	6,975	0.31	
€2,819,000	Voya Euro CLO III FRN 0.92% 15/04/2033	3,411	0.15	
€238,000	Yorkshire Building Society 0.01% 13/10/2027	288	0.01	
	'AA' credit rated bonds	978,153	44.11	41.62
€6,000,000	Apple 1% 10/11/2022	7,399	0.33	
US\$8,000,000	Apple 1.125% 11/05/2025	8,085	0.36	
US\$8,547,000	Apple 2.65% 08/02/2051	7,906	0.36	
CA\$15,600,000	Canadian Government Bond 1.5% 01/06/2030	12,426	0.56	
CA\$36,700,000	Canadian Government Bond 1.75% 01/03/2023	30,663	1.38	
£1,212,000	Euroclear Bank 1.25% 30/09/2024	1,719	0.08	
£1,989,000	Jupiter Mortgage No. 1 FRN 1.4484% 20/07/2060	2,769	0.13	
€7,200,000	Metropolitan Life Global Funding I 0.375% 09/04/2024	8,832	0.40	
€7,376,000	New York Life Global Funding 0.25% 23/01/2027	8,965	0.40	
£5,477,000	New York Life Global Funding 0.75% 14/12/2028	7,279	0.33	
£6,073,000	New York Life Global Funding 1.25% 17/12/2026	8,517	0.38	
£6,000,000	Procter & Gamble 1.375% 03/05/2025	8,612	0.39	
£23,384,000	UK Treasury 1.625% 22/10/2028	34,866	1.57	
£20,000,000	UK Treasury IL 0.125% 22/03/2029	43,112	1.94	
£6,383,508	UK Treasury IL 0.125% 22/03/2051	16,604	0.75	
US\$150,000,000	US Treasury 0.625% 15/05/2030	137,836	6.22	
US\$23,000,000	US Treasury 1.5% 15/02/2030	22,903	1.03	
US\$126,025,300	US Treasury 2.75% 15/02/2028	138,155	6.23	
US\$116,000,000	US Treasury 3% 15/08/2048	132,838	5.99	
US\$35,000,000	US Treasury IL 0.25% 15/02/2050	38,324	1.73	
US\$37,400,000	US Treasury IL 0.625% 15/01/2026	46,397	2.09	
US\$37,600,000	US Treasury IL 1% 15/02/2049	50,246	2.27	
US\$90,000,000	US Treasury IL 3.875% 15/04/2029	203,700	9.19	

Investments

Portfolio statement (continued)

Holding	as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income (continued)			
Debt securities (continued)			
'A' credit rated bonds	192,119	8.66	10.70
€2,100,000 Aeroports de Paris 2.125% 02/10/2026	2,802	0.13	
€4,000,000 BPCE 0.25% 15/01/2026	4,869	0.22	
CLP12,945,000,000 Chile (Republic of) 4.7% 01/09/2030	19,477	0.88	
£3,363,000 Close Brothers Finance 1.625% 03/12/2030	4,540	0.20	
£2,500,000 Comcast 1.875% 20/02/2036	3,413	0.15	
£2,000,000 Comcast 5.5% 23/11/2029	3,646	0.16	
£783,000 Cooperatieve Rabobank IL 2.25% 22/11/2022	1,669	0.07	
£3,000,000 Coventry Building Society 1% 21/09/2025	4,156	0.19	
£3,000,000 Henkel 1.25% 30/09/2026	4,222	0.19	
US\$6,000,000 Intel 3.9% 25/03/2030	6,808	0.31	
US\$2,501,000 International Business Machines 1.7% 15/05/2027	2,519	0.11	
¥2,800,000,000 Japan (Govt. of) 1.3% 20/06/2035	29,419	1.33	
¥5,000,000,000 Japan (Govt. of) IL 0.1% 10/03/2029	46,535	2.10	
£4,955,000 JPMorgan Chase Var. Rate 0.991% 28/04/2026	6,888	0.31	
€6,000,000 JPMorgan Chase Var. Rate 1.001% 25/07/2031	7,452	0.34	
US\$6,000,000 JPMorgan Chase Var. Rate 1.045% 19/11/2026	5,898	0.27	
€468,299 Ludgate Funding FRN 0% 01/01/2061	550	0.02	
£2,000,000 LVMH 1% 11/02/2023	2,805	0.13	
£166,497 Nationwide Building Society IL 3.875% 30/07/2021	708	0.03	
€2,475,000 Nestlé Finance International 0% 03/12/2025	3,003	0.13	
€1,000,000 Nestlé Finance International 1.125% 01/04/2026	1,275	0.06	
€5,000,000 PepsiCo 0.25% 06/05/2024	6,122	0.28	
£2,000,000 Royal Bank of Canada 1.125% 15/12/2025	2,796	0.13	
£2,000,000 Royal Bank of Canada 1.375% 09/12/2024	2,834	0.13	
US\$2,899,000 Shell International Finance 2.375% 06/04/2025	3,056	0.14	
€3,007,705 Silverback Finance 3.1261% 25/02/2037	3,613	0.16	
US\$2,139,000 State Street 2.825% 30/03/2023	2,186	0.10	
US\$2,555,000 U.S. Bancorp 3.375% 05/02/2024	2,751	0.12	
US\$6,043,000 UBS Group Funding Switzerland FRN 1.7056% 01/02/2022	6,107	0.27	

Investments

Portfolio statement (continued)

Holding	as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds	433,932	19.57	19.37
€1,400,000 Allianz Var. Rate 2.625% Perpetual	1,718	0.08	
£3,000,000 Amgen 5.5% 07/12/2026	5,151	0.23	
£2,000,000 Anheuser-Busch InBev 9.75% 30/07/2024	3,570	0.16	
€3,868,000 Arion Banki 0.625% 27/05/2024	4,701	0.21	
€9,065,000 AT&T FRN 0.31% 05/09/2023	11,087	0.50	
€4,000,000 Banco Bilbao Vizcaya Argentaria 0.5% 14/01/2027	4,856	0.22	
€1,800,000 Banco de Sabadell Var. Rate 1.75% 29/06/2023	2,221	0.10	
£2,000,000 BNP Paribas 3.375% 23/01/2026	3,034	0.14	
US\$3,049,000 Boeing 2.196% 04/02/2026	3,050	0.14	
US\$8,000,000 Boeing 4.875% 01/05/2025	8,952	0.40	
COP17,889,000,000 Bogota Distrito Capital 9.75% 26/07/2028	5,302	0.24	
£2,192,000 Bunzl Finance 1.5% 30/10/2030	2,949	0.13	
€2,945,000 CBRE 0.5% 27/01/2028	3,522	0.16	
US\$1,805,000 Citigroup FRN 0.697% 25/08/2036	1,539	0.07	
US\$4,835,000 Citigroup FRN 1.2559% 17/05/2024	4,897	0.22	
US\$9,065,000 Citigroup FRN 1.6205% 01/09/2023	9,203	0.41	
£2,872,000 CK Hutchison Telecom Finance 2.625% 17/10/2034	4,090	0.18	
COP53,540,000 Columbia (Republic of) 2.25% 18/04/2029	3,874	0.17	
COP47,137,200,000 Columbia (Republic of) 7.75% 18/09/2030	13,303	0.60	
£3,441,000 Coventry Building Society 2% 20/12/2030	4,775	0.21	
US\$4,454,000 DuPont de Nemours 2.169% 01/05/2023	4,461	0.20	
US\$4,800,000 GE Capital Funding 4.05% 15/05/2027	5,352	0.24	
US\$2,000,000 Goldman Sachs 4% 03/03/2024	2,181	0.10	
£1,734,000 Goldman Sachs 4.25% 29/01/2026	2,740	0.12	
€4,869,000 Goldman Sachs FRN 0.466% 30/04/2024	5,944	0.27	
£1,656,539 Greene King Finance FRN 2.5803% 15/12/2033	2,272	0.10	
US\$3,200,000 Indonesia (Republic of) 4.2% 15/10/2050	3,527	0.16	
IDR183,000,000,000 Indonesia (Republic of) 8.25% 15/05/2036	13,910	0.63	
IDR128,000,000,000 Indonesia (Republic of) 8.375% 15/03/2034	9,805	0.44	
IDR190,000,000,000 Indonesia (Republic of) 8.375% 15/04/2039	14,569	0.66	

Investments

Portfolio statement (continued)

Holding		as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income (continued)				
Debt securities (continued)				
'BBB' credit rated bonds (continued)				
US\$13,144,000	Italy (Republic of) 3.875% 06/05/2051	13,013	0.59	
£6,814,000	Leeds Building Society Var. Rate 1.5% 16/03/2027	9,427	0.42	
£4,000,000	Lloyds Banking 2.25% 16/10/2024	5,777	0.26	
€10,274,000	Lloyds Banking FRN 0.24% 21/06/2024	12,559	0.57	
MYR108,100,000	Malaysia (Govt. of) 3.955% 15/09/2025	27,854	1.26	
€6,000,000	McDonald's 2% 01/06/2023	7,582	0.34	
€2,133,000	Mexico (United Mexican States) 1.45% 25/10/2033	2,406	0.11	
£4,230,000	Mexico (United Mexican States) 5.625% 19/03/2114	6,300	0.28	
MXN190,000,000	Mexico (United Mexican States) 8% 07/12/2023	10,098	0.46	
MXN200,000,000	Mexico (United Mexican States) 10% 05/12/2024	11,362	0.51	
US\$1,867,063	Mitchells & Butlers Finance FRN 0.6339% 15/12/2030	1,730	0.08	
£869,759	Mitchells & Butlers Finance FRN 0.6803% 15/12/2033	1,032	0.05	
€3,024,000	Morgan Stanley Var. Rate 0.497% 07/02/2031	3,571	0.16	
£954,900	National Grid IL 1.25% 06/10/2021	1,678	0.08	
US\$6,043,000	Natwest FRN 1.6259% 15/05/2023	6,107	0.28	
US\$3,266,000	Natwest Var. Rate 4.892% 18/05/2029	3,747	0.17	
US\$2,500,000	Panama (Republic of) 3.75% 17/04/2026	2,669	0.12	
US\$4,000,000	Panama (Republic of) 6.7% 26/01/2036	5,351	0.24	
PEN57,000,000	Peru (Republic of) 6.15% 12/08/2032	15,702	0.71	
PEN38,450,000	Peru (Republic of) 6.9% 12/08/2037	10,915	0.49	
PEN25,382,000	Peru (Republic of) 6.95% 12/08/2031	7,469	0.34	
€2,010,622	Portugal (Republic of) 1% 12/04/2052	2,192	0.10	
US\$2,330,000	PVH 4.625% 10/07/2025	2,586	0.12	
RUB2,390,000,000	Russia (Federation of) 8.15% 03/02/2027	34,154	1.54	
£5,000,000	Skipton Building Society Var. Rate 2% 02/10/2026	7,090	0.32	
US\$3,022,000	Société Générale 5% 17/01/2024	3,299	0.15	
€3,100,000	Société Générale FRN 0.255% 22/05/2024	3,793	0.17	
€3,914,000	Takeda Pharmaceutical 1.375% 09/07/2032	4,901	0.22	
£2,700,000	Telefonica Emisiones 5.289% 09/12/2022	4,036	0.18	
£3,000,000	Tesco Corporate Treasury Services 2.5% 02/05/2025	4,403	0.20	

Investments

Portfolio statement (continued)

Holding		as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income (continued)				
Debt securities (continued)				
'BBB' credit rated bonds (continued)				
THB344,476,000	Thailand (Kingdom of) IL 1.25% 12/03/2028	11,258	0.51	
UYU293,278,943	Uruguay (Republic of) 3.875% 02/07/2040	8,174	0.37	
UYU167,380,000	Uruguay (Republic of) 8.5% 15/03/2028	3,978	0.18	
UYU33,430,997	Uruguay (Republic of) IL 4.375% 15/12/2028	1,947	0.09	
€3,428,000	Verizon Communications 0.75% 22/03/2032	4,093	0.18	
US\$2,062,000	Walt Disney 3.8% 13/05/2060	2,267	0.10	
€2,323,000	Wolters Kluwer 0.75% 03/07/2030	2,857	0.13	
	'BB' credit rated bonds	95,063	4.29	2.98
US\$3,000,000	Bahamas (Commonwealth of) 6% 21/11/2028	2,984	0.14	
£2,626,000	Bellis Acquisition 3.25% 16/02/2026	3,664	0.17	
BRL76,000,000	Brazil (Federal Republic of) 10% 01/01/2025	15,191	0.69	
BRL17,000,000	Brazil (Federal Republic of) 10% 01/01/2029	3,385	0.15	
€2,100,000	Cellnex Finance 1.25% 15/01/2029	2,479	0.11	
€5,019,000	Croatia (Republic of) 1.125% 04/03/2033	5,988	0.27	
US\$3,000,000	Dominican Republic 6.5% 15/02/2048	3,258	0.15	
US\$3,022,000	Dominican Republic 6.85% 27/01/2045	3,399	0.15	
DOP64,300,000	Dominican Republic 8.9% 15/02/2023	1,174	0.05	
DOP105,800,000	Dominican Republic 10.5% 07/04/2023	1,988	0.09	
US\$2,000,000	Hanesbrands 4.625% 15/05/2024	2,106	0.10	
US\$940,000	Paraguay (Republic of) 4.7% 27/03/2027	1,043	0.05	
US\$2,014,000	Paraguay (Republic of) 5.6% 13/03/2048	2,285	0.10	
US\$4,511,000	Paraguay (Republic of) 6.1% 11/08/2044	5,393	0.24	
US\$3,200,000	Petrobras Global Finance 6.9% 19/03/2049	3,597	0.16	
£1,524,000	Petroleos Mexicanos 3.75% 16/11/2025	2,053	0.09	
US\$5,000,000	Petroleos Mexicanos 5.35% 12/02/2028	4,890	0.22	
€2,726,000	Serbia (Republic of) 1.65% 03/03/2033	3,170	0.14	
US\$1,905,000	Serbia (Republic of) 2.125% 01/12/2030	1,754	0.08	
US\$4,000,000	South Africa (Republic of) 5.75% 30/09/2049	3,850	0.17	
ZAR337,992,252	South Africa (Republic of) 8.75% 28/02/2048	18,733	0.85	
£1,902,000	Thames Water Utilities Finance 2.375% 03/05/2023	2,679	0.12	

Investments

Portfolio statement (continued)

Holding	as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income (continued)			
Debt securities (continued)			
'B' credit rated bonds	29,993	1.35	1.38
€2,000,000 Axalta Coating Systems Dutch 3.75% 15/01/2025	2,458	0.11	
US\$3,100,000 Bausch Health 5% 30/01/2028	3,143	0.14	
US\$1,250,000 Bolivia (Plurinational State of) 4.5% 20/03/2028	1,120	0.05	
€3,000,000 Egypt (Arab Republic of) 6.375% 11/04/2031	3,776	0.17	
US\$5,000,000 Honduras (Republic of) 6.25% 19/01/2027	5,475	0.25	
US\$2,310,000 NAK Naftogaz Ukraine 7.625% 08/11/2026	2,299	0.10	
US\$3,358,000 Pilgrim's Pride 4.25% 15/04/2031	3,375	0.15	
US\$879,000 Pilgrim's Pride 5.875% 30/09/2027	935	0.04	
US\$3,000,000 Staples 7.5% 15/04/2026	3,102	0.14	
US\$4,000,000 Ukraine (Republic of) 7.75% 01/09/2026	4,310	0.20	
'CCC' credit rated bonds	5,186	0.23	0.33
US\$3,200,000 Altice France 6% 15/02/2028	3,181	0.14	
€1,155,507 Selecta 8% 01/04/2026	1,403	0.06	
€323,318 Selecta 10% 01/07/2026	354	0.02	
€133,789 Selecta 12% 01/10/2026	83	0.00	
€267,577 Selecta 12% 01/10/2026	165	0.01	
'C' credit rated bonds	413	0.02	0.00
ARS100,000,000 Argentina (Republic of) 15.5% 17/10/2026	413	0.02	
'D' credit rated bonds	992	0.04	0.04
US\$2,518,000 Buenos Aires (Province of) 7.875% 15/06/2027	992	0.04	
Bonds with no credit rating	0	0.00	0.00
€1,510,860 Eirles Two FRN 2020 ^a	0	0.00	
Debt derivatives	11,055	0.50	(0.65)
Credit default swaps	(13,855)	(0.62)	(0.45)
US\$80,000,000 Markit CDX North American High Yield Series 36 5 Year Jun 2026	(8,462)	(0.38)	
US\$64,000,000 Markit CDX North American Investment Grade Series 36 3 Year Jun 2026	(1,681)	(0.07)	
€143,000,000 Markit iTraxx Europe Series 35 5 Year Jun 2026	1,095	0.05	
€32,000,000 Markit iTraxx Europe Xover Series 35 5 Year Jun 2026	(4,807)	(0.22)	

Investments

Portfolio statement (continued)

Holding	as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Fixed income (continued)			
Debt derivatives (continued)			
Interest rate swaps	24,422	1.10	0.03
US\$35,000,000 Pay 1.1517% Receive VAR Sep 2050	7,134	0.32	
US\$46,000,000 Pay 1.293% Receive VAR Dec 2050	7,943	0.36	
US\$120,000,000 Pay 1.33520 Receive VAR Feb 2031	3,048	0.14	
US\$42,000,000 Pay 1.386% Receive VAR Dec 2050	6,297	0.28	
Interest rate futures	488	0.02	(0.23)
(1,255) Aust 10 Year Bond Futures Jun 2021	(1,012)	(0.05)	
(488) Euro BPT Futures Jun 2021	603	0.03	
(750) Long Gilt Futures Jun 2021	897	0.04	
Currency	(9,098)	(0.41)	0.01
Forward currency contracts	(9,098)	(0.41)	0.01
AU\$29,000,000 Bought for \$22,880,678 (expires 05.05.21)	(381)	(0.02)	
AU\$(29,000,000) Sold for \$22,079,979 (expires 05.05.21)	(420)	(0.02)	
€(135,589,085) Sold for \$160,154,845 (expires 05.05.21)	(3,667)	(0.16)	
£10,560,097 Bought for \$14,603,712 (expires 05.05.21)	88	0.00	
£7,549,305 Bought for €8,836,728 (expires 05.05.21)	(174)	(0.01)	
£(39,952,781) Sold for \$54,750,000 (expires 30.06.21)	(841)	(0.04)	
INR1,500,000,000 Bought for \$20,305,256 (expires 05.05.21)	(59)	0.00	
INR(1,500,000,000) Sold for \$20,327,958 (expires 05.05.21)	81	0.00	
¥5,865,000,000 Bought for \$53,131,454 (expires 30.06.21)	767	0.04	
¥9,300,000,000 Bought for £61,744,384 (expires 30.06.21)	(446)	(0.02)	
¥12,165,000,000 Bought for €93,184,473 (expires 30.06.21)	(922)	(0.04)	
KRW22,800,000,000 Bought for \$20,279,646 (expires 06.05.21)	218	0.01	
KRW22,800,000,000 Bought for \$20,498,436 (expires 28.07.21)	0	0.00	
KRW(22,800,000,000) Sold for \$20,498,436 (expires 06.05.21)	1	0.00	
MXN(250,500,000) Sold for \$11,529,974 (expires 02.06.21)	(894)	(0.04)	
NOK93,000,000 Bought for \$10,887,172 (expires 05.05.21)	407	0.02	
PEN43,400,000 Bought for \$11,501,564 (expires 30.06.21)	(34)	0.00	
PHP1,050,000,000 Bought for \$21,457,035 (expires 30.06.21)	332	0.02	
RUB(1,220,000,000) Sold for \$16,245,223 (expires 02.06.21)	49	0.00	
SEK87,600,000 Bought for \$10,070,581 (expires 05.05.21)	335	0.02	

Investments

Portfolio statement (continued)

Holding	as at 30.04.21 \$'000	as at 30.04.21 %	as at 31.10.20 %
Currency (continued)			
Forward currency contracts (continued)			
CHF(78,000,000) Sold for \$84,952,685 (expires 05.05.21)	(816)	(0.04)	
TRY158,000,000 Bought for €17,934,693 (expires 05.05.21)	(2,570)	(0.12)	
TW\$580,000,000 Bought for \$20,915,975 (expires 05.05.21)	(152)	(0.01)	
Portfolio of investments	2,140,178	96.50	96.41
Cash equivalents	8,849	0.40	0.32
'AAA' rated money market funds^b	8,849	0.40	0.32
8,849,000 Northern Trust Global Fund - US dollar	8,849	0.40	
Share class hedging	(250)	(0.01)	0.00
Forward currency contracts for share class hedging	(250)	(0.01)	0.00
£65,631,215 Bought for \$91,562,032 (expires 02.06.21)	(250)	(0.01)	
Total portfolio	2,148,777	96.89	96.73
Net other assets / (liabilities)	68,987	3.11	3.27
Net assets attributable to shareholders	2,217,764	100.00	100.00

All securities are on an official stock exchange listing except where referenced.

^a Defaulted bond.

^b Uncommitted surplus cash is placed into 'AAA' rated money market funds with the aim of reducing counterparty risk.

Investments

Portfolio transactions

for the six months to 30 April	2021 \$'000	2020 \$'000
Total purchases	729,925	796,429
Total sales	516,632	609,781

Purchases and sales exclude the cost and proceeds of 'AAA' rated money market funds.

Financial highlights

Fund performance

Please note past performance is not a guide to future performance and the value of investments, and the income from them, will fluctuate. This will cause the fund price to fall as well as rise and you may not get back the original amount you invested.

The following chart and tables reflect the key financial information of a representative share class, Sterling Class 'A' (Accumulation) shares. As different share classes have different attributes, for example charging structures and minimum investments, please be aware that their performance may be different. For more information on the different share classes in this fund please refer to the Prospectus for M&G Global Macro Bond Fund, which is available free of charge either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations.

Fund level performance

Fund net asset value as at	30.04.21	31.10.20	31.10.19
	\$'000	\$'000	\$'000
Fund net asset value (NAV)	2,217,764	2,005,268	1,449,679

Performance since launch

To give an indication of how the fund has performed since launch, the chart below shows total return of Sterling Class 'A' (Accumulation) shares.

October 1999 = 100, plotted monthly
Chart date 4 May 2021



Source: Morningstar, Inc. and M&G

* Income reinvested

** Benchmark prior to 19 April 2021 was the IA Global Bond Sector average. Thereafter it is the IA Global Mixed Bond Sector average.

Financial highlights

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested.

Share class ^a	Six months 02.11.20 % ^b	Three years 01.05.18 % pa	Five years 03.05.16 % pa	Since launch % pa
Sterling^c				
Class 'A'	-6.7	+4.0	+4.0	+5.1 ^d
Class 'A-H'	+0.1	+2.9	+1.5	+2.0 ^e
Class 'I'	-6.5	+4.5	+4.6	+4.9 ^f
Class 'I-H'	+0.3	+3.5	+2.1	+2.6 ^e
Class 'J'	-6.5	n/a	n/a	+4.4 ^g
Class 'J-H'	+0.4	n/a	n/a	+3.7 ^g
Class 'PP'	-6.5	n/a	n/a	+3.5 ^h
Class 'R'	-6.6	+4.2	+4.3	+4.4 ⁱ
Class 'R-H'	+0.2	+3.2	+1.8	+2.2 ^e
Class 'X'	-6.7	+4.0	+4.0	+5.1 ^j
Class 'X-H'	+0.1	+3.0	+1.6	+2.0 ^e

^a On 1 May 2009 the M&G Global Macro Bond Fund de-merged from M&G Investment Funds (4) to become the M&G Global Macro Bond Fund.

^b Absolute basis.

^c Price to price with income reinvested.

^d 15 October 1999, the end of the initial offer period of the predecessor unit trust.

^e 7 August 2015, the launch date of the share class.

^f 16 December 2011, the launch date of the share class.

^g 4 May 2018, the launch date of the share class.

^h 8 April 2019, the launch date of the share class.

ⁱ 3 August 2012, the launch date of the share class.

^j 15 October 1999. All performance data prior to 1 October 2002 (the launch date of the share class) has been calculated by reference to a conversion factor due to a change of the nominated share class.

Operating charges and portfolio transaction costs

We explain below the payments made to meet the ongoing costs of investing and managing the fund, comprising operating charges and portfolio transaction costs.

Operating charges

Operating charges include payments made to M&G and to providers independent of M&G:

- **Annual charge:** Charge paid to M&G covering the annual cost of M&G managing and administering the fund and the costs of third parties providing services to the fund. From 1 August 2019, this charge rolls all costs that make up the operating charges into one annual charge. For every £1 billion of a fund's net asset value, a discount of 0.02% will be applied to that fund's annual charge (up to a maximum of 0.12%).
- **Extraordinary legal and tax expenses:** Costs that specifically relate to legal or tax claims that are both exceptional and unforeseeable. Such expenses are uncommon, and would not be expected in most years. Although they result in a short-term cost to the fund, generally they can deliver longer term benefits for investors.
- **Investment management:** Charge paid to M&G for investment management of the fund. From 1 August 2019 this charge forms part of the annual charge.
- **Administration:** Charge paid for administration services in addition to investment management – any surplus from this charge will be retained by M&G. From 1 August 2019 this charge is rolled into the annual charge.
- **Share class hedging:** Charge paid to M&G for currency hedging services to minimise exchange rate risk for the share class. From 1 August 2019 this charge is rolled into the annual charge.
- **Oversight and other independent services:** Charges paid to providers independent of M&G for services which include depositary, custody and audit. From 1 August 2019 these charges will be paid by M&G and rolled into the annual charge.

Financial highlights

- **Ongoing charges from underlying funds:** Ongoing charges on holdings in underlying funds that are not rebated. From 1 August 2019 charges from underlying funds (excluding Investment Trust Companies and Real Estate Investment Trusts) will be rebated.

The operating charges paid by each share class of the fund are shown in the following performance tables. These charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of share classes may differ, and therefore the operating charges may differ.

Operating charges are in line with the ongoing charges shown in the Key Investor Information Document, other than where there have been extraordinary legal or tax expenses, or an estimate has been used for the ongoing charge because a material change has made the operating charges unreliable as an estimate of future charges.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange and method of execution. They are made up of direct and indirect portfolio transaction costs:

- **Direct portfolio transaction costs:** Broker execution commission and taxes.
- **Indirect portfolio transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid.

Investments are bought or sold by a fund when changes are made to the investment portfolio and in response to net flows of money into or out of the fund from investors buying and selling shares in the fund.

To protect existing investors, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or

receive. As the fund invests wholly in fixed interest securities, no direct portfolio transaction costs are applicable. To give an indication of the indirect portfolio dealing costs the table below shows the average portfolio dealing spread.

Further information on this process is in the Prospectus, which is available free of charge on request either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations.

Portfolio transaction costs

as at Indirect portfolio transaction costs	30.04.21 %	31.10.20 %	31.10.19 %	Average ^a %
Average portfolio dealing spread	0.24	0.25	0.22	0.24

^a Average of first three columns.

Financial highlights

Specific share class performance

The following tables show the performance of each share class. All 'Performance and charges' percentages represent an annual rate except for the 'Return after operating charges' which is calculated as a percentage of the opening net asset value per share (NAV). 'Dilution adjustments' are only in respect of direct portfolio transaction costs.

Sterling Class 'A' Income share performance

The share class was launched on 15 October 1999.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	91.91	86.40	83.54
Return before operating charges	(5.40)	8.55	6.93
Operating charges	(0.52)	(1.16)	(1.20)
Return after operating charges	(5.92)	7.39	5.73
Distributions	(0.52)	(1.88)	(2.87)
Closing NAV	85.47	91.91	86.40
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.18	1.28	1.38
Return after charges	-6.44	+8.55	+6.86
Distribution yield	1.30	1.52	2.93
Other information			
Closing NAV (\$'000)	13,038	13,324	15,651
Closing NAV (%)	0.59	0.66	1.08
Number of shares	10,965,741	11,164,269	13,978,417
Highest share price (UK p)	92.86	95.55	92.91
Lowest share price (UK p)	85.28	84.29	81.81

Sterling Class 'A' Accumulation share performance

The share class was launched on 15 October 1999.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	150.07	138.16	129.25
Return before operating charges	(8.84)	13.78	10.79
Operating charges	(0.85)	(1.87)	(1.88)
Return after operating charges	(9.69)	11.91	8.91
Distributions	(0.02)	(1.18)	(2.65)
Retained distributions	0.02	1.18	2.65
Closing NAV	140.38	150.07	138.16
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.18	1.28	1.38
Return after charges	-6.46	+8.62	+6.89
Distribution yield	0.27	0.24	1.66
Other information			
Closing NAV (\$'000)	35,416	35,230	31,218
Closing NAV (%)	1.60	1.76	2.15
Number of shares	18,135,390	18,080,148	17,434,913
Highest share price (UK p)	151.61	154.66	147.52
Lowest share price (UK p)	139.65	134.78	126.53

Financial highlights

Sterling Class 'A-H' Income share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	98.81	93.92	91.29
Return before operating charges	0.60	8.20	7.07
Operating charges	(0.60)	(1.26)	(1.31)
Return after operating charges	0.00	6.94	5.76
Distributions	(0.59)	(2.05)	(3.13)
Closing NAV	98.22	98.81	93.92
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.20	1.31	1.40
Return after charges	0.00	+7.39	+6.31
Distribution yield	1.29	1.51	2.92
Other information			
Closing NAV (\$'000)	32	30	28
Closing NAV (%)	0.00	0.00	0.00
Number of shares	23,060	23,060	23,060
Highest share price (UK p)	102.55	101.69	94.89
Lowest share price (UK p)	97.73	88.87	91.02

Sterling Class 'A'-H Accumulation share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	111.89	104.17	97.89
Return before operating charges	0.69	9.13	7.71
Operating charges	(0.68)	(1.41)	(1.43)
Return after operating charges	0.01	7.72	6.28
Distributions	0.00	(0.89)	(1.99)
Retained distributions	0.00	0.89	1.99
Closing NAV	111.90	111.89	104.17
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.20	1.31	1.40
Return after charges	+0.01	+7.41	+6.42
Distribution yield	0.24	0.20	1.62
Other information			
Closing NAV (\$'000)	31	29	27
Closing NAV (%)	0.00	0.00	0.00
Number of shares	19,714	19,714	19,714
Highest share price (UK p)	116.14	114.29	104.39
Lowest share price (UK p)	110.99	99.16	97.59

Financial highlights

Sterling Class 'I' Income share performance

The share class was launched on 16 December 2011.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	139.69	130.65	125.61
Return before operating charges	(8.24)	12.96	10.43
Operating charges	(0.48)	(1.07)	(1.06)
Return after operating charges	(8.72)	11.89	9.37
Distributions	(0.79)	(2.85)	(4.33)
Closing NAV	130.18	139.69	130.65
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.72	0.78	0.81
Return after charges	-6.24	+9.10	+7.46
Distribution yield	1.30	1.52	2.93
Other information			
Closing NAV (\$'000)	571,101	527,645	417,180
Closing NAV (%)	25.75	26.31	28.78
Number of shares	315,336,925	290,925,040	246,405,385
Highest share price (UK p)	141.20	144.97	140.39
Lowest share price (UK p)	129.81	127.53	123.01

Sterling Class 'I' Accumulation share performance

The share class was launched on 16 December 2011.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	166.61	152.63	141.95
Return before operating charges	(9.83)	15.24	11.89
Operating charges	(0.58)	(1.26)	(1.21)
Return after operating charges	(10.41)	13.98	10.68
Distributions	(0.38)	(2.11)	(3.77)
Retained distributions	0.38	2.11	3.77
Closing NAV	156.20	166.61	152.63
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.72	0.78	0.81
Return after charges	-6.25	+9.16	+7.52
Distribution yield	0.67	0.74	2.16
Other information			
Closing NAV (\$'000)	1,070,886	992,451	678,819
Closing NAV (%)	48.29	49.49	46.84
Number of shares	492,795,082	458,775,723	343,192,019
Highest share price (UK p)	168.42	171.43	162.83
Lowest share price (UK p)	155.28	148.99	138.99

Financial highlights

Sterling Class 'I-H' Income share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	101.24	95.77	92.49
Return before operating charges	0.62	8.34	7.25
Operating charges	(0.38)	(0.79)	(0.79)
Return after operating charges	0.24	7.55	6.46
Distributions	(0.60)	(2.08)	(3.18)
Closing NAV	100.88	101.24	95.77
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.75	0.81	0.83
Return after charges	+0.24	+7.88	+6.98
Distribution yield	1.29	1.51	2.92
Other information			
Closing NAV (\$'000)	12,384	12,349	21,032
Closing NAV (%)	0.56	0.62	1.45
Number of shares	8,823,159	9,394,806	16,946,675
Highest share price (UK p)	105.17	104.07	96.66
Lowest share price (UK p)	100.33	90.78	92.26

Sterling Class 'I-H' Accumulation share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	115.32	106.83	99.80
Return before operating charges	0.69	9.38	7.89
Operating charges	(0.43)	(0.89)	(0.86)
Return after operating charges	0.26	8.49	7.03
Distributions	(0.26)	(1.45)	(2.62)
Retained distributions	0.26	1.45	2.62
Closing NAV	115.58	115.32	106.83
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.75	0.81	0.83
Return after charges	+0.23	+7.95	+7.04
Distribution yield	0.64	0.70	2.12
Other information			
Closing NAV (\$'000)	53,801	44,756	32,508
Closing NAV (%)	2.43	2.23	2.24
Number of shares	33,459,844	29,891,933	23,481,453
Highest share price (UK p)	119.80	117.66	107.06
Lowest share price (UK p)	114.61	101.87	99.54

Financial highlights

Sterling Class 'J' Income share performance

The share class was launched on 4 May 2018.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	112.61	105.20	101.05
Return before operating charges	(6.62)	10.45	8.38
Operating charges	(0.36)	(0.75)	(0.74)
Return after operating charges	(6.98)	9.70	7.64
Distributions	(0.66)	(2.29)	(3.49)
Closing NAV	104.97	112.61	105.20
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.66	0.68	0.71
Return after charges	-6.20	+9.22	+7.56
Distribution yield	1.30	1.52	2.93
Other information			
Closing NAV (\$'000)	2,498	341,008	215,752
Closing NAV (%)	0.11	17.01	14.88
Number of shares	1,710,425	233,238,422	158,240,456
Highest share price (UK p)	113.84	116.82	113.03
Lowest share price (UK p)	104.68	102.71	98.96

Sterling Class 'J-H' Income share performance

The share class was launched on 4 May 2018.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	103.44	97.80	94.43
Return before operating charges	0.65	8.48	7.32
Operating charges	(0.36)	(0.71)	(0.70)
Return after operating charges	0.29	7.77	6.62
Distributions	(0.62)	(2.13)	(3.25)
Closing NAV	103.11	103.44	97.80
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.69	0.71	0.73
Return after charges	+0.28	+7.94	+7.01
Distribution yield	1.29	1.51	2.92
Other information			
Closing NAV (\$'000)	24,620	22,706	22,586
Closing NAV (%)	1.11	1.13	1.56
Number of shares	17,163,234	16,907,280	17,819,642
Highest share price (UK p)	107.48	106.30	98.72
Lowest share price (UK p)	102.55	92.68	94.20

Financial highlights

Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	101.11	94.47	100.00
Return before operating charges	(6.00)	9.37	(4.72)
Operating charges	(0.25)	(0.67)	(0.15)
Return after operating charges	(6.25)	8.70	(4.87)
Distributions	(0.57)	(2.06)	(0.66)
Closing NAV	94.29	101.11	94.47
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges	0.54 ^d	0.68	0.68
Return after charges	-6.18	+9.21	-4.87
Distribution yield	1.30	1.52	2.93
Other information			
Closing NAV (\$'000)	419,536	230	181
Closing NAV (%)	18.92	0.01	0.01
Number of shares	319,845,215	175,289	147,522
Highest share price (UK p)	102.22	104.90	101.47
Lowest share price (UK p)	93.99	92.23	95.01

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	114.21	104.54	100.00
Return before operating charges	(6.74)	10.42	4.95
Operating charges	(0.34)	(0.75)	(0.41)
Return after operating charges	(7.08)	9.67	4.54
Distributions	(0.32)	(1.55)	(2.05)
Retained distributions	0.32	1.55	2.05
Closing NAV	107.13	114.21	104.54
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.61 ^d	0.68	0.75
Return after charges	-6.20	+9.25	+4.54
Distribution yield	0.77	0.84	2.25
Other information			
Closing NAV (\$'000)	2,451	1,771	1,106
Closing NAV (%)	0.11	0.09	0.08
Number of shares	1,644,397	1,194,473	816,067
Highest share price (UK p)	115.47	117.49	111.51
Lowest share price (UK p)	106.49	102.05	99.53

Financial highlights

Sterling Class 'PP-H' Income share performance

The share class was launched on 28 April 2021.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	100.00	n/a	n/a
Return before operating charges	0.21	n/a	n/a
Operating charges	0.00	n/a	n/a
Return after operating charges	0.21	n/a	n/a
Distributions	(0.30)	n/a	n/a
Closing NAV	99.91	n/a	n/a
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	n/a	n/a
Dilution adjustments ^a	0.00	n/a	n/a
Total direct transaction costs	0.00	n/a	n/a
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	n/a	n/a
Operating charges	0.43	n/a	n/a
Return after charges	+0.59	n/a	n/a
Distribution yield	0.00	n/a	n/a
Other information			
Closing NAV (\$'000)	28	n/a	n/a
Closing NAV (%)	0.00	n/a	n/a
Number of shares	20,000	n/a	n/a
Highest share price (UK p)	100.45	n/a	n/a
Lowest share price (UK p)	100.00	n/a	n/a

Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	132.72	124.43	120.02
Return before operating charges	(7.81)	12.34	9.94
Operating charges	(0.62)	(1.34)	(1.40)
Return after operating charges	(8.43)	11.00	8.54
Distributions	(0.75)	(2.71)	(4.13)
Closing NAV	123.54	132.72	124.43
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.97	1.03	1.13
Return after charges	-6.35	+8.84	+7.12
Distribution yield	1.30	1.52	2.93
Other information			
Closing NAV (\$'000)	1,178	1,606	2,090
Closing NAV (%)	0.05	0.08	0.14
Number of shares	685,547	931,806	1,295,986
Highest share price (UK p)	134.12	137.86	133.77
Lowest share price (UK p)	123.25	121.44	117.52

Financial highlights

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	154.83	142.19	132.68
Return before operating charges	(9.12)	14.19	11.09
Operating charges	(0.73)	(1.55)	(1.58)
Return after operating charges	(9.85)	12.64	9.51
Distributions	(0.17)	(1.59)	(3.07)
Retained distributions	0.17	1.59	3.07
Closing NAV	144.98	154.83	142.19
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.97	1.03	1.13
Return after charges	-6.36	+8.89	+7.17
Distribution yield	0.42	0.49	1.91
Other information			
Closing NAV (\$'000)	4,590	5,138	2,877
Closing NAV (%)	0.21	0.26	0.20
Number of shares	2,275,991	2,556,077	1,561,460
Highest share price (UK p)	156.47	159.44	151.75
Lowest share price (UK p)	144.19	138.76	129.89

Sterling Class 'R-H' Income share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	99.88	94.72	91.83
Return before operating charges	0.61	8.25	7.12
Operating charges	(0.50)	(1.03)	(1.08)
Return after operating charges	0.11	7.22	6.04
Distributions	(0.59)	(2.06)	(3.15)
Closing NAV	99.40	99.88	94.72
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.99	1.06	1.15
Return after charges	+0.11	+7.62	+6.58
Distribution yield	1.29	1.51	2.92
Other information			
Closing NAV (\$'000)	73	63	37
Closing NAV (%)	0.00	0.00	0.00
Number of shares	52,900	48,549	30,187
Highest share price (UK p)	103.71	102.73	95.61
Lowest share price (UK p)	98.89	89.70	91.57

Financial highlights

Sterling Class 'R-H' Accumulation share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	113.30	105.25	98.65
Return before operating charges	0.68	9.21	7.78
Operating charges	(0.57)	(1.16)	(1.18)
Return after operating charges	0.11	8.05	6.60
Distributions	(0.11)	(1.15)	(2.26)
Retained distributions	0.11	1.15	2.26
Closing NAV	113.41	113.30	105.25
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	0.99	1.06	1.15
Return after charges	+0.10	+7.65	+6.69
Distribution yield	0.39	0.45	1.87
Other information			
Closing NAV (\$'000)	107	115	131
Closing NAV (%)	0.00	0.01	0.01
Number of shares	67,558	78,264	95,953
Highest share price (UK p)	117.64	115.67	105.47
Lowest share price (UK p)	112.49	100.29	98.36

Sterling Class 'X' Income share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	92.31	86.75	83.90
Return before operating charges	(5.44)	8.61	6.94
Operating charges	(0.52)	(1.16)	(1.20)
Return after operating charges	(5.96)	7.45	5.74
Distributions	(0.52)	(1.89)	(2.89)
Closing NAV	85.83	92.31	86.75
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.18	1.28	1.38
Return after charges	-6.46	+8.59	+6.84
Distribution yield	1.30	1.52	2.93
Other information			
Closing NAV (\$'000)	1,721	1,952	3,125
Closing NAV (%)	0.08	0.10	0.22
Number of shares	1,441,366	1,628,677	2,779,037
Highest share price (UK p)	93.26	95.96	93.30
Lowest share price (UK p)	85.64	84.64	82.15

Financial highlights

Sterling Class 'X' Accumulation share performance

The share class was launched on 1 October 2002.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	150.01	138.10	129.18
Return before operating charges	(8.85)	13.77	10.78
Operating charges	(0.85)	(1.86)	(1.86)
Return after operating charges	(9.70)	11.91	8.92
Distributions	(0.02)	(1.18)	(2.65)
Retained distributions	0.02	1.18	2.65
Closing NAV	140.31	150.01	138.10
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.18	1.28	1.38
Return after charges	-6.47	+8.62	+6.91
Distribution yield	0.27	0.24	1.66
Other information			
Closing NAV (\$'000)	4,215	4,810	5,280
Closing NAV (%)	0.19	0.24	0.36
Number of shares	2,159,176	2,469,520	2,950,358
Highest share price (UK p)	151.54	154.60	147.45
Lowest share price (UK p)	139.59	134.73	126.47

Sterling Class 'X-H' Income share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	99.03	94.14	91.40
Return before operating charges	0.61	8.21	7.19
Operating charges	(0.60)	(1.27)	(1.31)
Return after operating charges	0.01	6.94	5.88
Distributions	(0.59)	(2.05)	(3.14)
Closing NAV	98.45	99.03	94.14
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.21	1.32	1.40
Return after charges	+0.01	+7.37	+6.43
Distribution yield	1.29	1.51	2.92
Other information			
Closing NAV (\$'000)	27	26	24
Closing NAV (%)	0.00	0.00	0.00
Number of shares	20,015	20,015	20,015
Highest share price (UK p)	102.77	101.93	95.11
Lowest share price (UK p)	97.95	89.07	91.13

Financial highlights

Sterling Class 'X-H' Accumulation share performance

The share class was launched on 7 August 2015.

Change in NAV per share	Six months to 30.04.21 UK p	Year to 31.10.20 UK p	Year to 31.10.19 UK p
Opening NAV	112.15	104.39	98.11
Return before operating charges	0.68	9.17	7.71
Operating charges	(0.68)	(1.41)	(1.43)
Return after operating charges	0.00	7.76	6.28
Distributions	0.00	(0.90)	(2.00)
Retained distributions	0.00	0.90	2.00
Closing NAV	112.15	112.15	104.39
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments ^a	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.00	0.00
Operating charges ^c	1.20	1.31	1.40
Return after charges	0.00	+7.43	+6.40
Distribution yield	0.24	0.20	1.62
Other information			
Closing NAV (\$'000)	31	29	27
Closing NAV (%)	0.00	0.00	0.00
Number of shares	20,010	20,010	20,010
Highest share price (UK p)	116.39	114.55	104.62
Lowest share price (UK p)	111.24	99.38	97.79

^a In respect of direct portfolio transaction costs.

^b As a percentage of average net asset value.

^c Following the change in charging structure, you may see variances between the comparative and current year figures.

^d As the operating charges figure has been calculated on average NAV basis during the period, the difference between the 'PP' Income and Accumulation share class charges is due to large inflows on the 'PP' Income share class.

Financial statements and notes

Financial statements

Statement of total return

for the six months to 30 April	2021		2020	
	\$'000	\$'000	\$'000	\$'000
Income				
Net capital gains/(losses)		5,140		40,637
Revenue	14,340		18,933	
Expenses	(7,784)		(5,965)	
Net revenue/(expense) before taxation	6,556		12,968	
Taxation	(291)		36	
Net revenue/(expense) after taxation		6,265		13,004
Total return before distributions		11,405		53,641
Distributions		(8,643)		(15,574)
Change in net assets attributable to shareholders from investment activities		2,762		38,067

Statement of change in net assets attributable to shareholders

for the six months to 30 April	2021		2020	
	\$'000	\$'000	\$'000	\$'000
Opening net assets attributable to shareholders		2,005,268		1,449,679
Amounts received on issue of shares	717,981		251,293	
Amounts paid on cancellation of shares	(511,290)		(120,393)	
		206,691		130,900
Dilution adjustments		331		577
Change in net assets attributable to shareholders from investment activities (see above)		2,762		38,067
Retained distributions on Accumulation shares		2,712		6,615
Closing net assets attributable to shareholders		2,217,764		1,625,838

The opening net assets attributable to shareholders for 2021 differs to the closing position in 2020 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	30 April 2021 \$'000	31 October 2020 \$'000
Assets		
Fixed assets		
Investments	2,167,516	1,954,296
Current assets		
Debtors	15,405	23,075
Cash and bank balances	82,147	53,041
Cash equivalents	8,849	6,401
Total assets	2,273,917	2,036,813
Liabilities		
Investment liabilities	(27,588)	(20,983)
Creditors		
Distribution payable	(3,179)	(3,556)
Other creditors	(25,386)	(7,006)
Total liabilities	(56,153)	(31,545)
Net assets attributable to shareholders	2,217,764	2,005,268

Financial statements and notes

Notes to the financial statements

Accounting policies

There are no material events that have been identified that may cast significant doubt on the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and, following consideration of the impact of COVID-19 they continue to adopt the going concern basis in preparing the financial statements. The ACD has made an assessment of the fund's ability to continue as a going concern which is made as at the date of issue of these financial statements and considers liquidity, declines in global capital markets, investor intention, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 October 2021. They are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

Distribution policy

In determining the amount available for distribution to Income shares, the annual charge is offset against capital, increasing the amount available for distribution whilst restraining capital performance to an equivalent extent.

Other regulatory disclosures

Swiss investor information

For funds registered in Switzerland we are required by FINMA to disclose the Total Expense Ratio (TER).

For this fund the TERs are the same as the operating charges disclosed in the fund's financial highlights section under 'Performance and charges'.

Glossary

Accumulation shares A type of share where distributions are automatically reinvested and reflected in the value of the shares.

Accumulation units A type of unit where distributions are automatically reinvested and reflected in the value of the units.

Asset Anything having commercial or exchange value that is owned by a business, institution or individual.

Asset allocation Apportioning a portfolio's assets according to risk tolerance and investment goals.

Asset class Category of assets, such as cash, company shares, fixed income securities and their sub-categories, as well as tangible assets such as real estate.

Bond A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Bond issue A set of fixed income securities offered for sale to the public by a company or government. If the bonds are sold for the first time, it is called a 'new issue'.

Bottom-up selection Selecting stocks based on the attractiveness of a company.

Bunds Fixed income securities issued by the German government.

Capital Refers to the financial assets, or resources, that a company has to fund its business operations.

Capital growth Occurs when the current value of an investment is greater than the initial amount invested.

Capital return The term for the gain or loss derived from an investment over a particular period. Capital return includes capital gain or loss only and excludes income (in the form of interest or dividend payments).

Cash equivalents Deposits or investments with similar characteristics to cash.

Charity Authorised Investment Fund (CAIF) An investment entity that is both a registered charity and an authorised investment fund. The CAIF must comply with charity law as well as financial services laws and regulations, and is usually treated as a registered charity for tax purposes.

Comparative sector A group of funds with similar investment objectives and/or types of investment, as classified by bodies such as the Investment Association (IA) or Morningstar™. Sector definitions are mostly based on the main assets a fund should invest in, and may also have a geographic focus. Sectors can be the basis for comparing the different characteristics of similar funds, such as their performance or charging structure.

Consumer Prices Index (CPI) An index used to measure inflation, which is the rate of change in prices for a basket of goods and services. The contents of the basket are meant to be representative of products and services we typically spend our money on.

Convertible bonds Fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life.

Corporate bonds Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.

Coupon The interest paid by the government or company that has raised a loan by selling bonds.

Credit The borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.

Credit default swaps (CDS) Are a type of derivative, namely financial instruments whose value, and price, are dependent on one or more underlying assets. CDS are insurance-like contracts that allow investors to transfer the risk of a fixed income security defaulting to another investor.

Credit rating An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Credit rating agency A company that analyses the financial strength of issuers of fixed income securities and attaches a rating to their debt. Examples include Standard & Poor's and Moody's.

Credit risk Risk that a financial obligation will not be paid and a loss will result for the lender.

Glossary

Credit selection The process of evaluating a fixed income security, also called a bond, in order to ascertain the ability of the borrower to meet its debt obligations. This research seeks to identify the appropriate level of default risk associated with investing in that particular bond.

Credit spread The difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value.

Default When a borrower does not maintain interest payments or repay the amount borrowed when due.

Defaulted bond When a bond issuer does not maintain interest payments or repay the amount borrowed when due.

Default risk Risk that a debtholder will not receive interest and full repayment of the loan when due.

Derivatives Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded over the counter.

Developed economy/market Well-established economies with a high degree of industrialisation, standard of living and security.

Dilution adjustments The dilution adjustment is used to protect ongoing investors against the transaction charges incurred in investing or divesting in respect of creations and cancellations. The dilution adjustment is made up of the direct and indirect transaction charges. In the financial statements the direct transaction charges as a percentage of average NAV will be disclosed. This percentage will take account of those direct transaction charges that have been recovered through the dilution adjustment leaving a percentage that just represents the costs incurred in portfolio management.

Distribution Distributions represent a share in the income of the fund and are paid out to Income shareholders or reinvested for Accumulation shareholders at set times of the year (monthly, quarterly, half-yearly or annually). They may either be in the form of interest distributions or dividend distributions.

Distribution yield Expresses the amount that is expected to be distributed by the fund over the next 12 months as a percentage of the share price as at a certain date. It is based on the expected gross income less the ongoing charges.

Diversification The practice of investing in a variety of assets. This is a risk management technique where, in a well-diversified portfolio, any loss from an individual holding should be offset by gains in other holdings, thereby lessening the impact on the overall portfolio.

Dividend Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.

Duration A measure of the sensitivity of a fixed income security, also called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

Duration risk The longer a fixed income security, also called a bond, or bond fund's duration, the more sensitive and therefore at risk it is to changes in interest rates.

Emerging economy or market Economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

Equities Shares of ownership in a company.

Exchange traded Usually refers to investments traded on an exchange, such as company shares on a stock exchange.

Ex-dividend, ex-distribution or XD date The date on which declared distributions officially belong to underlying investors.

Exposure The proportion of a fund invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.

Fixed income security A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Also referred to as a bond.

Floating rate notes (FRNs) Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

Foreign exchange The exchange of one currency for another, or the conversion of one currency into another currency. Foreign exchange also refers to the global market where currencies are traded virtually around the clock. The term foreign exchange is usually abbreviated as 'forex' and occasionally as 'FX'.

Glossary

Foreign exchange (FX) strategy Currencies can be an asset class in its own right, along with company shares, fixed income securities, property and cash. Foreign exchange strategy can therefore be a source of investment returns.

Forward contract A contract between two parties to buy or sell a particular commodity or financial instrument at a pre-determined price at a future date. Examples include forward currency contracts.

Fundamentals (company) A basic principle, rule, law, or the like, that serves as the groundwork of a system. A company's fundamentals pertain specifically to that company, and are factors such as its business model, earnings, balance sheet and debt.

Fundamentals (economic) A basic principle, rule, law, or the like, that serves as the groundwork of a system. Economic fundamentals are factors such as inflation, employment, economic growth.

Futures A futures contract is a contract between two parties to buy or sell a particular commodity or financial instrument at a predetermined price at a future date. Futures are traded on a regulated exchange.

Gilts Fixed income securities issued by the UK government.

Government bonds Fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

Hedging A method of reducing unnecessary or unintended risk.

High water mark (HWM) The highest level that a fund's NAV (net asset value) has reached at the end of any 12-month accounting period.

High yield bonds Fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, ie higher-rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Historic yield The historic yield reflects distributions declared over the past 12 months as a percentage of the share price, as at the date shown.

Income yield Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value.

Index An index represents a particular market or a portion of it, serving as a performance indicator for that market.

Income shares A type of share where distributions are paid out as cash on the payment date.

Income units A type of unit where distributions are paid out as cash on the payment date.

Index tracking A fund management strategy that aims to match the returns from a particular index.

Index-linked bonds Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

Inflation The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.

Inflation risk The risk that inflation will reduce the return of an investment in real terms.

Initial public offering (IPO) The first sale of shares by a private company to the public.

Interest rate risk The risk that a fixed income investment will lose value if interest rates rise.

Interest rate swap An agreement between two parties to swap a fixed interest payment with a variable interest payment over a specified period of time.

Investment Association (IA) The UK trade body that represents fund managers. It works with investment managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.

Issuer An entity that sells securities, such as fixed income securities and company shares.

Investment grade bonds Fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Glossary

Issuer An entity that sells securities, such as fixed income securities and company shares.

Leverage When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money or uses derivatives to magnify an investment position.

Liquidity A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

Long position Refers to ownership of a security held in the expectation that the security will rise in value.

Macroeconomic Refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.

Maturity The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

Modified duration A measure of the sensitivity of a fixed income security, called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

Monetary easing When central banks lower interest rates or buy securities on the open market to increase the money in circulation.

Monetary policy A central bank's regulation of money in circulation and interest rates.

Monetary tightening When central banks raise interest rates or sell securities on the open market to decrease the money in circulation.

Morningstar™ A provider of independent investment research, including performance statistics and independent fund ratings.

Near cash Deposits or investments with similar characteristics to cash.

Net asset value (NAV) A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.

Ongoing Charge Figure The ongoing charge figure represents the operating costs investors can reasonably expect to pay under normal circumstances.

Open-ended investment company (OEIC) A type of managed fund, whose value is directly linked to the value of the fund's underlying investments.

Options Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

Over-the-counter (OTC) Whereby financial assets are traded directly between two parties. This is in contrast to exchange trading, which is carried out through exchanges set up specifically for the purpose of trading. OTC is also known as off-exchange trading.

Overweight If a fund is 'overweight' a stock, it holds a larger proportion of that stock than the comparable index or sector.

Payment date The date on which distributions will be paid by the fund to investors, usually the last business day of the month.

Physical assets An item of value that has tangible existence, for example, cash, equipment, inventory or real estate. Physical assets can also refer to securities, such as company shares or fixed income securities.

Portfolio transaction cost The cost of trading, such as brokerage, clearing, exchange fees and bid-offer spread as well as taxes such as stamp duty.

Preference shares Preference shares are a loan to a company that may be traded in the same way as ordinary shares, but generally have a higher yield and pay dividends on fixed dates. Preference shares have varying characteristics as to the treatment of the principal and the dividend payment, which includes ranking them above ordinary shares when it comes to dividend payments.

Principal The face value of a fixed income security, which is the amount due back to the investor by the borrower when the security reaches the end of its life.

Private placement An offer of sale of securities to a relatively small number of investors selected by the company, generally investment banks, mutual funds, insurance companies or pension funds.

Property Expense Ratio (PER) Property expenses are the operating expenses that relate to the management of the property assets in the portfolio. These include: insurance and rates, rent review and lease renewal costs and maintenance and repairs, but not improvements. They depend on the level of activity taking place within the fund. The Property Expense Ratio is the ratio of property expenses to the fund's net asset value.

Glossary

Real yield The return of an investment, adjusted for changes in prices in an economy.

Retail Prices Index (RPI) A UK inflation index that measures the rate of change in prices for a basket of goods and services in the UK, including mortgage payments and council tax.

Risk The chance that an investment's return will be different to what is expected. Risk includes the possibility of losing some or all of the original investment.

Risk management The term used to describe the activities the fund manager undertakes to limit the risk of a loss in a fund.

Risk premium The difference between the return from a risk-free asset, such as a high-quality government bond or cash, and the return from an investment in any other asset. The risk premium can be considered the 'price' or 'pay-off' for taking on increased risk. A higher risk premium implies higher risk.

Risk-free asset An asset that notionally carries no risk of nonpayment by the borrower such as a high-quality fixed income security issued by a government or cash.

Risk/reward ratio A ratio comparing the expected returns of an investment with the amount of risk undertaken.

Safe-haven assets Refers to assets that investors perceive to be relatively safe from suffering a loss in times of market turmoil.

Security Financial term for a paper asset – usually a share in a company or a fixed income security also known as a bond.

Share class Each M&G fund has different share classes, such as A, R and I. Each has a different level of charges and minimum investment. Details on charges and minimum investments can be found in the Key Investor Information Documents.

Share class hedging Activities undertaken in respect of hedged shares to mitigate the impact on performance of exchange rate movements between the fund's currency exposure and the investor's chosen currency.

Short position A way for a fund manager to express his or her view that the market might fall in value.

Short selling This often refers to the practice whereby an investor sells an asset they do not own. The investor borrows the asset from someone who does own it and pays a fee. The investor must eventually return the borrowed asset by buying it in the open market. If the asset has fallen in price, the investor buys it for less than they sold it for, thus making a profit. The contrary may also occur.

Short-dated corporate bonds Fixed income securities issued by companies and repaid over relatively short periods.

Short-dated government bonds Fixed income securities issued by governments and repaid over relatively short periods.

Sovereign debt Debt of a government. Also referred to as government bonds.

Sub-investment grade bonds Fixed income securities issued by a company with a low rating from a recognised credit rating agency. They are considered to be at higher risk from default than those issued by companies with higher credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Suspended Temporarily halting the trading of a listed security on the stock exchange. It can be voluntary (requested by the issuing company) or imposed by regulators. Typically, trading suspensions are introduced ahead of important news announcements, following technical glitches, or due to regulatory concerns.

Swing pricing Swing pricing is a method of protecting long-term shareholders in the fund from bearing the costs of transactions carried out by shorter-term investors. When investors buy or sell shares in the fund, the fund manager has to buy or sell underlying securities to either invest the cash obtained from investors, or to provide them with cash in exchange for their shares. Swing pricing essentially adjusts the fund shares' daily price to take into account the costs of buying or selling the underlying securities held by the fund. This ensures that transaction costs such as brokerage fees and administrative charges are borne by those investors who trade shares in the fund, not by those who remain invested in the fund. (Also see dilution adjustment).

Top-down investing An investment approach that analyses economic factors, ie surveys the 'big picture', before selecting which companies to invest in. The top-down investor will look at which industries are likely to generate the best returns in certain economic conditions and limit the search to that area.

Total return The term for the gain or loss derived from an investment over a particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

Treasuries Fixed income securities issued by the US government.

Glossary

Triple A or AAA rated The highest possible rating a fixed income security, also called a bond, can be assigned by credit rating agencies. Bonds that are rated AAA are perceived to have the lowest risk of default. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

UCITS Stands for Undertakings for Collective Investment in Transferable Securities. This is the European regulatory framework for an investment vehicle that can be marketed across the European Union and is designed to enhance the single market in financial assets while maintaining high levels of investor protection.

Unconstrained The term used to describe the mandate of a fund whereby the manager has the freedom to invest according to his or her own strategy, not being obliged to allocate capital according to the weightings of any index, for example.

Underlying value The fundamental value of a company, reflecting both tangible and intangible assets, rather than the current market value.

Underlying yield Refers to the income received by a managed fund, and is usually expressed annually as a percentage based on the fund's current value.

Underweight If a portfolio is 'underweight' a stock, it holds a smaller proportion of that stock than the comparable index or sector.

Unit trust A type of managed fund, whose value is directly linked to the value of the fund's underlying investments.

Unit/share type Type of units/shares held by investors in a trust or fund (unit/share types differ by features such as whether income is to be paid out as cash or reinvested on the payment date).

Unlisted/unquoted stocks Shares of ownership in companies that are not listed on a public exchange, known as private companies.

Valuation The worth of an asset or company based on its current price.

Volatile When the value of a particular share, market or sector swings up and down fairly frequently and/or significantly, it is considered volatile.

Volatility The degree to which a given security, fund, or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given time period. The higher the volatility, the riskier the security tends to be.

Warrant A security issued by a company that gives the holder the right to buy shares in that company at a specified price and within a certain timeframe.

Yield This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

Yield (equity) Refers to the dividends received by a holder of company shares and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value. Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

Yield (bonds) This refers to the interest received from a fixed income security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Yield (income) Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value.

